

STATEMENT OF CONSIDERATIONS

REQUEST BY XANTREX TECHNOLOGY, INCORPORATED FOR AN
ADVANCE WAIVER OF DOMESTIC AND FOREIGN PATENT RIGHTS UNDER
DOE PRIME CONTRACT NO. DE-FC36-83CH10093 AND SUBCONTRACT
NO. NREL-NDO-1-30628-02; W(A)-01-036; CH-1081

As set out in the attached waiver petition, Xantrex Technology, Incorporated (Xantrex) has requested an advance waiver of domestic and foreign patent rights for all subject inventions made by its employees under the above-identified subcontract, entitled "PV Inverter Products Manufacturing and Design Improvement for Cost Reduction and Performance Enhancement".

The purpose of the subcontract encompasses the development of improved photovoltaic (PV) manufacturing processes and products while reducing costs and providing a technology foundation that supports significant manufacturing scale-up. Xantrex intends to accomplish this by developing both hardware and software functional blocks that can be applied across a number of different product lines. By using this predefined "building block" approach, Xantrex expects to reduce non-reoccurring engineering costs for new development, decrease manufacturing testing and component part costs through standardization of subassemblies, and increase product reliability through design standardization.


The work under this subcontract is expected to take place in two phases over a period of about two years. The total cost of the subcontract, over the two phases of the subcontract, is \$2,188,979. Xantrex is obligated to cost share \$1,094,489 or 50 percent of the total cost of the project. It is anticipated that the waiver will be applicable over both phases of the subcontract, provided Xantrex maintains at least 50 percent cost sharing.

Referring to items 5 and 6 of Xantrex's waiver petition, Xantrex is a leading manufacturer of power conversion equipment for renewable energy markets in the United States. This, coupled with Xantrex's cost sharing, clearly demonstrates the likelihood that Xantrex will continue development and commercialization of the results of the subcontract.

This advance waiver of the Government's rights in inventions is subject to the usual advance patent waiver and background data licensing provisions, and the government license, march-in rights, and a preference for U.S. industry provisions set out in 35 U.S.C. 202-204. The advance patent waiver also includes the attached U. S. Competitiveness clause (paragraph t) which requires products embodying any waived invention or produced through the use of any waived invention be manufactured substantially in the United States unless the participant can show to the satisfaction of DOE that it is not commercially feasible to do so. The contractor further agrees to make the above condition binding on any assignee, licensee or other entity acquiring rights to any waived invention, including subsequent assignees or licensees. Should the Contractor or other such entity receiving rights in any waived invention undergo a change in ownership amounting to a controlling interest, then the waiver, assignment, license, or other transfer rights in the waived invention is suspended until approved in writing by DOE.

Granting this waiver is not anticipated to have any adverse effect on competition. Rather, the waiver will enable Xantrex to maintain its patent portfolio to further the commercialization of renewable and distributed energy resources.



Considering the foregoing, it is believed that granting this waiver will provide Petitioner with the necessary incentive to invest its resources in the commercialization of the results of the agreement in a fashion which will make the technology available to the public in the shortest practicable time. Therefore, upon evaluation of the waiver petition and in view of the objectives and considerations set forth in 10 CFR Part 784, all of which have been considered, it is recommended that the requested waiver be granted.


Thomas G. Anderson
Assistant Chief Counsel
Intellectual Property Law Division

Date 3/11/03


Based upon the foregoing Statement of Considerations and representations in the attached waiver petition, it is determined that the interests of the United States and the general public will best be served by a waiver of patent rights of the scope described above, and therefore the waiver is granted. This waiver will not apply to any modification or extension of the agreement, where through such modification or extension, the purpose, scope or cost of the agreement has been substantially altered.

CONCURRENCE:



Raymond Sutula, Program Manager
Solar
EE-2A

Date: 4/24/03

APPROVAL:


Paul A. Gottlieb
Assistant General Counsel for Technology
Transfer and Intellectual Property,
GC-62

Date: 4-28-03

(t) U. S. COMPETITIVENESS

The Contractor agrees that any products embodying any waived invention or produced through the use of any waived invention will be manufactured substantially in the United States unless the Contractor can show to the satisfaction of the DOE that it is not commercially feasible to do so. In the event the DOE agrees to foreign manufacture, there will be a requirement that the Government's support of the technology be recognized in some appropriate manner, e.g., recoupment of the Government's investment, etc. The Contractor agrees that it will not license, assign or otherwise transfer any waived invention to any entity unless that entity agrees to these same requirements. Should the Contractor or other such entity receiving rights in the invention undergo a change in ownership amounting to a controlling interest, then the waiver, assignment, license, or other transfer of rights in the waived invention is suspended until approved in writing by the DOE.